Microwave ovens: What do consumers like? Why do they buy and where?

MART's Microwave Oven Survey examines owners' attitudes and preferences

The microwave oven is the cooking appliance of today and tomorrow. Projections are that about 7.25 million microwave ovens will be sold in this country during 1985. Research has shown that approximately one-third of the households in the United States used microwave ovens in 1984.

According to the Association of Home Appliance Manufacturers (AHAM), shipments (units shipped to the retailers) of microwave ovens and microwave/ranges were up significantly each month of 1984 over 1983.

September 1984 shipments were up 54.1 percent over September 1983 shipments, October 1984 was up 36.8 percent over October the year previous and November 1984 was up by 57.5 percent over November 1983. At presstime, AHAM reported the year-to-date increase, as of October, at 57.5 percent.

All this confirms that there is a tremendous growth in consumer acceptance of microwave ovens.

The primary objective of MART's 1985 Microwave Oven Survey was to determine owners' attitudes and preferences regarding the purchase of microwave ovens and accessories, and microwave cooking in general.

A total of 1,109 surveys were mailed to individuals who were identified by microwave manufacturers as having purchased a microwave oven within the previous year. There were 293 questionaires returned for a response rate of 28 percent.

The demographic breakdown of the survey's respondents is as follows:

- Four out of five are female.
- 35 percent are between the ages of 25 and 34.
- 21 percent are college graduates and 16 percent have done post-graduate work.
- 35 percent are members of a two-person household.
- 83 percent are married.
- The median household income is $33,925.

TABLE 1

How many microwave ovens do you now own?

One	94%
Two	3%
No Answer	3%
	100%

Base: 293

TABLE 2

How did you first get interested in microwave cooking?

Store demonstration	4%
Magazine or newspaper ads	3%
Salesperson's recommendation	1%
Friend's recommendation	63%
Television commercials	4%
Other	15%
No Answer	3%
Family recommendation*	6%
	100%

*Choice not listed on questionnaire
Base: 293

TABLE 3

Where did you buy your microwave oven?

Microwave specialty store	21%
Department store	10%
Mass merchandiser	3%
Appliance/TV store	50%
Catalog showroom	1%
Discount store	5%
Received as gift	8%
No Answer	1%
Other	1%
	100%

Base: 293

TABLE 4

How many different times did you visit this particular store before buying the microwave oven?

Never before	8%
Once	42%
Twice	23%
Three times	8%
Four times or more	10%
No Answer	9%
	100%

Base: 293

TABLE 5

How many other stores did you shop in before buying the microwave oven?

No others	35%
One	8%
Two	15%
Three	13%
Four	7%
Five or More	11%
No Answer	11%
	100%

Base: 293

TABLE 6

Approximately how much did you pay for your microwave oven?

Under $200	2%
$200 - 249	5%
$250 - 299	16%
$300 - 349	15%
$350 - 399	19%
$400 - 449	13%
$450 - 499	10%
$500 - 549	5%
$550 - 599	1%
$600 - 649	1%
$650 or more	2%
No Answer	11%
	100%

Median: $390.00
Base: 293

TABLE 7

Which of the following factors was MOST IMPORTANT in your decision on which microwave oven brand to buy?

Manufacturer's reputation	22%
Price	14%
Ease of operation	13%
Exclusive features	10%
Appearance or styling	4%
Size or oven capacity	14%
Friend's recommendation	4%
Salesperson's recommendation	8%
Free accessories	1%
Other	8%
No Answer	5%
	103%*

Base: 293

TABLE 8

Which comments best describe your reaction to the microwave oven salesperson?

Knowledgeable about product	39%
Pushing one brand over another	4%
Helpful and friendly	35%
Used "hard sell"	1%
Not knowledgeable about product	4%
Willing to negotiate price	5%
No salesperson available	9%
No Answer	8%
	105%*

Base: 293

TABLE 9

Did the store where the oven was purchased offer a cooking school?

Yes	46%
No	42%
No Answer	12%
	100%

Base: 293

Adds to more than 100% due to multiple responses.

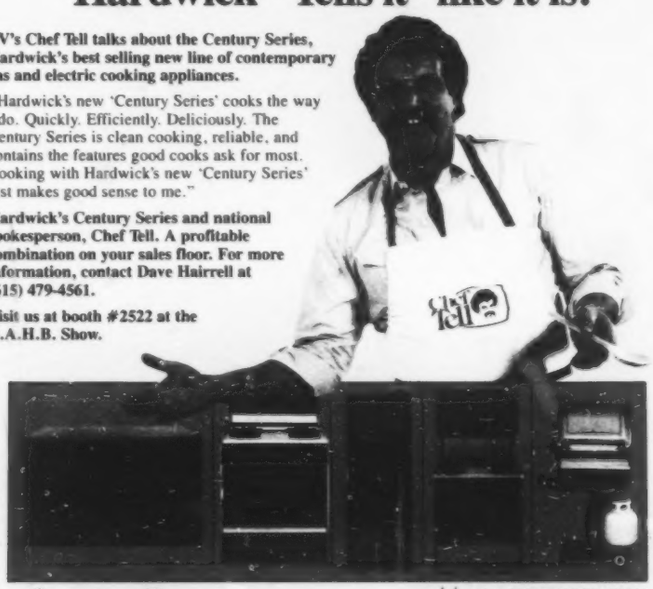
Hardwick "Tells it" like it is.

TV's Chef Tell talks about the Century Series, Hardwick's best selling new line of contemporary gas and electric cooking appliances.

"Hardwick's new 'Century Series' cooks the way I do. Quickly. Efficiently. Deliciously. The Century Series is clean cooking, reliable, and contains the features good cooks ask for most. Cooking with Hardwick's new 'Century Series' just makes good sense to me."

Hardwick's Century Series and national spokesperson, Chef Tell. A profitable combination on your sales floor. For more information, contact Dave Hairrell at (615) 479-4561.

Visit us at booth #2522 at the N.A.H.B. Show.



Century Series™
For the next century of good cooks.

HARDWICK STOVE COMPANY · CLEVELAND, TENN. 37311

Circle No. 149

TABLE 9a

If yes, did you attend the school?

Yes	44%
No	54%
No Answer	2%
	100%

Base: 133

TABLE 10

Considering your knowledge of microwave cooking at this time, would you buy a microwave oven again?

Yes	93%
No	4%
No Answer	3%
	100%

Base: 293

TABLE 11

Would you buy the same brand of microwave oven again?

Yes	93%
No	2%
No Answer	5%
	100%

Base: 293

TABLE 12

What percent of your weekly cooking do you do in the microwave oven?

1% - 24%	18%
25% - 49%	23%
50% - 74%	29%
75% - 100%	20%
No Answer	10%
	100%

Base: 293

TABLE 13

How often do you use your microwave oven for each of the following functions?

Defrosting	14%
Reheating leftovers	28%
Cooking main meals	9%
Cooking vegetable	14%
Baking	2%
Heating beverages	14%
Heating convenience food	13%
Preparing ingredients for conventional cooking	8%
Other	1%
No Answer	1%
	104%*

Base: 293

TABLE 14

What do you like BEST about your microwave oven?

Speed of cooking	56%
Easier clean-up	6%
Energy savings	7%
Faster defrosting	11%
Fewer pots and pans to wash	9%
Cooler in kitchen	6%
Other	8%
No Answer	2%
	105%*

Base: 293

Adds to more than 100% due to multiple responses.

TABLE 15

Have you bought additional accessories since your oven purchase?

Yes	63%
No	30%
No Answer	7%
	100%

Base: 130

TABLE 15a

If yes, approximately how much have you spent?

Under $20	41%
$20 - 39	21%
$40 - 59	28%
$60 - 79	7%
$80 - 99	—
$100 or more	2%
No Answer	1%
	100%

Base: 82

TABLE 16

Did you buy any microwave accessories at the time of your purchase?

Yes	36%
No	60%
No Answer	4%
	100%

Base: 293

THE PROFITABLE ALTERNATIVE.

FINALLY.
A PROMOTION THAT BRINGS THEM IN.
THEN BRINGS THEM BACK AGAIN. AND AGAIN.

Our exclusive Cash Bonus program offers your customers up to $500 in cash for buying Magic Chef from you. After the first model, each eligible appliance they buy gets them a check for $50—up to $500 for a full six-model kitchen. If they buy one appliance, then want to wait to buy more, we'll give them $400 in Rain Check Coupons...that can be redeemed only in **your** store.

CASH MAGIC CHEF BONUS

It's a full line of top-quality refrigerators, ranges, laundry, freezers, dishwashers and microwave ovens, with exclusive features for step-up sales. Shipped within 48 hours from our Super Warehouses. And we don't saturate your market with dealers, so you won't have to slash prices to make sales. That means you make more margin and profit with Magic Chef.

Our District Manager will match you and your markets with the ideal floor lineups and merchandising. Including promotions that bring your customers back for more.

Magic Chef®

THE PROFITABLE ALTERNATIVE

Another MAGIC CHEF® Company

Circle No. 150

TABLE 16a

Approximately how much did you spend?

Under $20	34%
$20 - 39	34%
$40 - 59	18%
$60 - 79	6%
$80 - 99	2%
$100 or more	3%
No Answer	3%
Median: $35.73	100%

Base: 109

TABLE 17

What accessories did you buy?

Cookbook	28%
Cookware	56%
Utensils	12%
Other	2%
No Answer	2%
	100%

Base: 164

TABLE 18

Have you found any disadvantages to microwave cooking?

Yes	71%
No	24%
No Answer	5%
	100%

Base: 293

TABLE 18a

What are they?

Overcooking of food	14%
Can't use metal cookware	16%
Too much stirring/turning	8%
Controls too complicated	1%
Can't cook some foods well	27%
Large quantities take too long	9%
Adapting conventional recipes hard	11%
Appearance of food	13%
Other	5%
No Answer	1%
	105%*

Base: 293

TABLE 19

Where have you purchased most additional accessories?

Same store as oven	12%
Housewares Department or store	34%
Mass merchant or discounter	25%
Mail order catalog	1%
Catalog showroom	3%
Supermarket	7%
Other	3%
No Answer	17%
	102%*

Base: 293

TABLE 20

Do you plan to buy any additional microwave accessories?

Yes	57%
No	40%
No Answer	3%
	100%

Base: 293

TABLE 20a

If yes, will you most likely buy:

Cookware	73%
Cookbook	23%
Other	4%
No Answer	
	100%

Base: 188

Adds to more than 100% due to multiple responses.

Survey findings are summarized in the charts accompanying this report. Following are highlights of those findings.

Nearly all the respondents (98%) had purchased a microwave oven within the past 12 months. The overwhelming majority (63%) became interested in microwave cooking because of a friend's recommendation. Six percent of the respondents, however, indicated that a relative's recommendation got them interested in microwave cooking. It is interesting to note that "relative's recommendation" was not even listed in the survey.

Half the respondents bought their microwave ovens at appliance/TV stores, although the microwave specialty stores were a strong second (21%) among our respondents. By

When the weather forecast says hot, the sales forecast says:

Emerson Quiet Kool

America's answer to the weather.

Get ready for this summer's hot, hot seller: the full line of Emerson Quiet Kool room air conditioners.

With models ranging from a compact 5,000 BTU size up to a multi-room 27,000 BTU unit —EER's of 7.5 and higher in 75% of our window models, Emerson Quiet Kool has the right room air conditioner for every customer need.

And with built-in features like flush-mount design, helper handle, slide-out washable filter, easy installation, and quiet operation, Emerson Quiet Kool makes selling a breeze.

For more information on making your summer a breeze, just call Tom Murray, Vice President-Sales, at 201-381-7000. Or write Emerson Quiet Kool, 400 Woodbine Avenue, Woodbridge, New Jersey 07095.

EQK EMERSON QUIET KOOL®

Circle No. 151

comparison, MART's 1983 survey showed that 54 percent of the respondents bought from appliance/TV stores and only seven percent made their purchase at microwave specialty stores.

Two-thirds (65%) of the respondents visited the store where they purchased their microwave oven only once or twice prior to purchasing, an it was the *only* store shopped by 35 percent of the respondents before buying an oven.

The median price paid for a microwave oven was $380.00, down only slightly from the $382.00 reported in 1983. Less than four percent paid more than $550.00 in 1984.

The manufacturer's reputation was the most important factor (22%) in deciding which brand of microwave oven to buy. Price was the next most important factor (14%).

In general, respondents felt that the salesperson they dealt with was knowledgeable about the product (39%), and they also felt that the salesperson was helpful and friendly (35%).

Nearly half (46%) of the respondents indicated that the store where they purchased their microwave oven offered a cooking school; of that group, 44 percent did attend the cooking school that was offered. By comparison, in 1983 only 35 percent of the stores offered cooking schools and 37 percent of those respondents attended.

A whopping 93 percent of the respondents stated that they would buy a microwave oven again, with the same percentage reporting that they would buy the *same brand* again.

Close to one-third (29%) of the consumers indicated that between 50 and 74 percent of their weekly cooking is done in their microwave oven. The feature that they liked the best about their units is "speed of cooking" (56%). In 1983, three out of four (77%) respondents indicated that this was their favorite feature.

Seven out of 10 (71%) of the respondents found disadvantages to microwave cooking—the biggest (27%) was not being able to cook some foods well.

Only 36 percent of the consumers bought microwave oven accessories at the time of oven purchase. Of these, the majority (68%) spend $40.00 or less. Cookware and cookbooks were bought by 28 percent and 56 percent of the respondents, respectively. But since their oven purchase, nearly two-thirds (63%) of the respondents have purchased accessories. For the most part, they, too, have spent less than $40.00.

The microwave accessories were purchased either in the housewares department of the store (34%) or from a mass merchant or discounter (25%). More than half the respondents (57%) still plan to buy additional microwave accessories, with cookware being the most likely (73%).

As in most surveys, some of the most interesting and insightful information comes from respondents comments. Here are some of the most representative replies to MART's survey question, "Why would you buy a microwave oven again?"

—"I've learned all the advantages of cooking with a microwave and it's simple to operate, plus I have complete control over my cooking." (NJ)

—"I love the speed and quickness of cooking with my microwave." (OK)

—"With frozen quality meals and entrees now available, one is essential for a working couple." (OR)

—"Microwave cooking saves half the time in cooking meats and other foods." (CA)

—"Very handy to use, less time in cooking. The food tastes just as good. I have to make a point to use it more." (MI)

—"Makes it possible to cook for two working people much easier." (NY)

—"For a family that is on the go, it is a necessity." (DE)

—"Very handy for reheating leftovers, cooking vegetables and heating breads." (CA)

—"My microwave is very simple to understand and use, even without a cookbook and it saves a tremendous amount of time preparing dinners." (MA)

—"I just purchased my microwave about three months ago and I don't know how I managed without it for so long. Now I can come home and have dinner waiting on the table in about 40 minutes. That's what I call convenience!" (OH)

And there were a few who said they would *not* buy a microwave again.

—"No, I wouldn't buy another. The time dials do not work as they should, it costs too much and we do not use it." (IL)

"It doesn't cook even. Every oven should have a built-in rotor disc for even cooking." (UT)□

YVONNE N. HUNLEY

Presenting Litton's NEW line of compact microwave ovens.

New! And Improved!
Litton Go-Anywhere™
.8 cubic foot Microwave Ovens.

The new Go-Anywhere microwave ovens go one more important place:
under the cabinet, off the counter.

Even with the popularity of the Go-Anywhere™ microwave oven line, when Litton saw the opportunity to introduce an improved oven, we went right ahead.

Now Goes Anywhere: Under a kitchen cabinet, on a shelf, on a counter top or on a wall.

New Improved Design: Sleek on the outside with a wider oven interior.

.8 Cubic Foot Oven: Easily holds family-size cookware. Interior size: 7¾" high x 15½" wide x 11" deep.

650 Watts: Cooking power for even quicker cooking results.

The new Go-Anywhere microwave oven easily holds a 12" x 7" baking dish; even a 4-quart LittonWare™ casserole.

Exterior Size: 11½" high 21¼" wide 13" deep

Extensive Promotion:
Consumer Demand–Building Advertising...
- **Network Television.**
- **Spot Television.**
- **Major Magazines.**
- **Local Co-op Programming with In-Store Support Material.**

Promotion that will keep customers asking for Litton!

Contact your Litton Distributor or Litton District Manager for all the details on this new line of compact microwave ovens.

Note: *Additional charge for Under-the-Cabinet or Wall Mounting Systems.*

Litton Microwave Cooking
Nobody knows more about microwave cooking than Litton.

THE NEW GO-ANYWHERE™ MICROWAVE OVENS

© 1984 Litton Systems Inc.

Circle No. 152

04170-1

MART® 85

FEBRUARY 1985

Business Ideas Today's Retailer Needs to Know

A Gordon Publication

P.O.P: BOOSTING SALES WITH HIGH IMPACT DISPLAYS

RETAILING

Point-of-Purchase displays: The silent salesmen

Spotlight: Davison's of Atlanta

One-hour photofinishing wows 'em at WCES

APPLIANCES

The '85 outlook for freezers and refrigerators

Santa was good to floor care dealers

Air conditioners warm up for the coming selling season

ELECTRONICS

MART's WCES product review:

- **Audio**
- **Video**
- **Electronic typewriters**
- **Computer hardware**

The latest consumer electronics marketing figures and projections

Atlanta-based Stereo Village

This ISSUE: MART's WCES REVIEW

M0000027807*CV0184 0435
045 * 8
SRI SERVICE INC-STE 800
SC GARNER DIR
4520 EAST-WEST HWY
BETHESDA MD 20814

February 1985
Volume 31, Number 6

ESTABLISHED 1953

MART 85

Business Ideas Today's Retailer Needs to Know

RETAILING

- Retail spotlight: Davison's of Dixie 6
- Cover story: Point-of-Purchase POPing up all over 6
- Latest profit center: Retailers KIS and sell 6

APPLIANCES

- Whirlpool buys out KitchenAid 16
- Floor care products report 16
- Air conditioners: A look at the '85 market 16
- Refrigerators/Freezers: What's happening? 30
- An aggressive Admiral maps its battle plans 20

ELECTRONICS

- Profile: Atlanta-based chain sounds off 34
- Consumer Electronics: Where the billions are spent 34
- CES video wrap up: CD lifts industry, spurs optimism 38
- CES video wrap up: The Korean word for profit is 'video' 39
- Electronic typewriters: New players, new features 40

Group Publisher
Robert F. Snyder

EDITORIAL
Editor-in-Chief
Barbara J. Bagley

Managing Editor
Edward E. Ohlbaum

Associate Editor
Al Stewart

West Coast Editor
Elliot King
(714) 669-1990

Senior Contributing Editor
Cathy Ciccolella
(813) 923-5206

Contributing Editors
Jack Blood, Martin R. Wolf
Yvonne Hunley, Suzy Fucini
Dan Valenti, Rob Seitz

ART
Graphics Director
John McLaughlin

Associates
Beverly Blake, Jody Jamieson

SALES
National Sales Manager
Judith L. Miller
(201) 361-9060

East Coast
Deborah Gisonni, Don Leon
(201) 361-9060

Midwest
Theresa Spurgeon
4825 N. Scott St. #62,
Schiller Park, IL 60176
(312) 671-2430

West Coast
Don Leon
17621 Irvine Blvd., Suite 201,
Tustin, CA 92680
(714) 669-1990

Group Coordinator
Jim Charos

Production Manager
Maria DePasque

Art Production Assistants
Olga Petrilak
Alice Prall

Circulation Manager
Mary Kuroda

Chairman of the Board
Theodore E. Gordon

President
Kenneth M. Nelson

Vice President, Treasurer
John M. Chiego

Vice President, Group Publisher
John A. Pfuelb

Vice President, General Counsel
Kevin C. Krull

GORDON PUBLICATIONS, INC.
A Gordon Communications Company

ABP BPA

Publishers of MART
Computer Products
Computer Dealer

MART Editorial & Sales Offices:
13 Emery Avenue
Randolph, NJ 07869-1380
Tel. (201) 361-9060

MART (ISSN-0025-4061), including Electrical Dealer and Telecommunications Retailer, is published monthly by Gordon Publications, Inc., 13 Emery Ave., Randolph, NJ 07869-1380; Mailing Address: Box 1952, Dover, NJ 07801-0952, (201) 361-9060. Second class postage paid at Dover, NJ 07801-9998 and at additional mailing offices. Subscription rates: $30 per year in the U.S., $42 all other countries, airmail $54. Single copy, U.S., $3; all other countries, $6. Publisher reserves the right to accept or reject any subscription. Microfilm copies of complete issues or reproductions of individual articles from microfilm prints can be obtained from Xerox University Microfilms, Ann Arbor, Mi 48109.

Copyright© 1985, Gordon Publications, Inc. ALL RIGHTS RESERVED, including reproductions of this magazine in whole or in part. MART® is the registered trademark of Gordon Publications, Inc.

Change of Address: Send to Circulation Manager, MART Magazine, P.O. Box 1952, Dover NJ 07801-0952. **Postmaster:** Send address change to MART, P.O. Box 1952, Dover, NJ 07801-0952.

ELECTRONICS 85

WCES: High tech hits high gear

It was with tired feet and a truckload full of new product announcements that we left Las Vegas and yet another CE Show. Each of the 1,411 exhibitors had something to say, of course, and no doubt they found someone to listen considering there were 101,000 showgoers in attendance.

If you were among the throngs that attended, chances are you didn't get to see everything on display (Who did?). And if you stayed home in an effort to save wear and tear on your shoes and your sanity, you missed plenty. Not to worry, though. MART's editorial team traveled to all corners of the 808,000 square feet of exhibit space in an effort to provide you with in-depth coverage of the WCES.

In the following pages we profile some of the new audio and video products that made a splash as well as the computer hardware and the new electronic typewriters introduced. As we are able to include only a small sample of the many products shown, we mainly selected those that appear to represent trends on the horizon.

Also in this issue is a rundown of the statistics presented by the Electronic Industries Association. Consumer electronics products promise to generate over $31 billion in retail sales in 1985. We've presented these statistics so you'll know where the money has been spent and where it is likely to be spent in the future.

Keep in mind that MART's coverage of the CE Show does not end with this issue. In March, for example, we'll have a rundown of the telephones and computer software exhibited as well as a number of other features that sprang from our four days in Las Vegas.

So stay tuned.

How an electronics specialist carves out its niche

Atlanta-based Stereo Village focusses on high-tech items to make use of its expertise

In the highly competitive Atlanta, GA, marketplace — estimated to represent about $275 million in consumer-electronics sales in 1984 — Stereo Village aims to make its mark through a combination of sharp pricing, aggressive advertising, and a consistent pattern of in-store promotions throughout the year.

"With the current audio/video explosion, now is the time for the specialty store to capitalize on its expertise," believes Larry Sarner, Stereo Village executive vice president . . . and that's what the company is looking to do.

Stereo Village was started as a one-store operation in Atlanta in April 1977, by Jack Dubler, now chairman of the board; his brother Bernard, a veteran of New York's Friendly Frost operation who is now president and chief executive officer of Stereo Village; and Sarner, who is Jack Dubler's son-in-law. Michael Dubler, Jack's son, joined the company in January 1978, and heads the firm's New Orleans operation as executive vice

[Continued on page 45]

Is the combination working? The operation has grown from one store to 16 — in three states — in less than eight years, while sales for its 1985 fiscal year are estimated to reach $40 million.

Stereo Village's Jim Buckler, left, and Larry Sarner feel the specialist has definite merchandising advantages.

1984 was the best year yet for consumer electronics, EIA statistics report

Nine-percent growth last year translates to a $31-billion industry at retail

George Orwell's predictions notwithstanding, 1984 was the best year yet ... for the consumer electronics industry. And the Electronic Industries Association statistics released at the WCES "Outlook '85 Conference" confirmed that statement over and over.

According to William E. Boss of RCA Consumer Electronics, who presented the statistics, "1984 was the best year the consumer electronics industry has ever had, and the 'electronics Christmas' we're all recovering from (happily) had to be just about the best sales period in memory."

Boss listed three basic reasons for the overwhelming success of the consumer electronics industry:

(1) Electronic products have captured the public's imagination.

(2) The products have an extensive retail network managed by progressive merchants across the country.

(3) Electronic products offer great value to the consumer.

[Continued on page 44]

Consumer Electronics Products

	Total Factory Sales ($ millions)
1980	10,900
1981	12,500
1982	16,800
1983	20,800
1984 (proj.)	22,800
1985 (est.)	24,900

Source: EIA/CEG

Total Videocassette Recorders

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1980	805	621	771
1981	1,361	1,127	828
1982	2,035	1,303	640
1983	4,091	2,162	528
1984 (proj.)	7,300	3,410	467
1985 (est.)	9,500	4,250	447

Color Video Cameras
(Excl. VCR/Camera Combinations)

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1980	114	na	na
1981	190	147	774
1982	296	232	784
1983	414	303	732
1984 (proj.)	480	340	708
1985 (est.)	480	315	655

EIA Statistics

[Continued from page 34]

Videodisc Players*

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1980 (est.)	40	na	na
1981	157	55	350
1982	223	54	242
1983	307	81	264
1984 (proj.)	200	45	230
1985 (est.)	130	40	300

**Noncommercial*

FOR ADULT EYES ONLY!

Adult video entertainment! Get the best, get it fast and get it while it's hot. General Video of America carries the profit makers! Call, or send for our full-color catalog.

TEN REASONS WHY WE'RE #1:

1. **Quick delivery** with same day shipping if you order before noon. Afternoon orders shipped the next morning.
2. **Lower delivery costs** when you order multiple cassettes.
3. **New title service;** overnight shipment from the west coast.
4. **First call service** when new titles arrive. No pre-order needed.
5. **Back orders/special orders;** fast, efficient handling.
6. **Pre-order service** delivers new titles to you three months before they hit the video market.
7. **New release listings** of all the titles released the previous month.
8. **Top ten lists** in your hands bi-monthly on the big money makers.
9. **Personal weekly contact** by our sales team keeps you on top of the market.
10. **Competitive pricing** on sales and shipping.

GVA

General Video of America
2075 E. 65th St., Cleveland, OH 44103
(216) 391-4800 Toll Free (800) 321-9858

General Video Midwest
4506 West Montrose Ave., Chicago, IL 60641
(312) 794-1194 Toll Free (800) 621-7044

General Video East
9258 Commerce Highway, Pennsauken, NJ 08110
(609) 662-7600 Outside NJ (800) 257-7440

General Video of Michigan
13200 Levan Road, Livonia, MI 48150
(313) 591-3950 MI only (800) 221-7174

General Video of America
2044 Lord Baltimore Dr., Baltimore MD 21207
MD only (800) 492-2874 Outside MD (800) 582-3420

Circle No. 120

To illustrate the third point, Boss explained that many prices today are triple what they were in 1967 — the "base year" used to calculate the Consumer Price Index. "If a candy bar cost 10-cents in 1967, it cost more than 30-cents today — and that in itself is sobering," he told the audience of WCES attendees.

Then came the "shocker": "Prices for products in the audio segment of our industry are only 107.7 — slightly increased in 18 years. And, in television, they have *declined* to 92.1. It actually costs less to buy a color television today than it did almost a decade ago!"

The accompanying charts are derived from data compiled by the association's Marketing Services Department and a consensus of various industry sources collected by EIA.

"For the time being, we seem to be over the exciting period of growth we enjoyed in 1982 and 1983, and we have settled down to a steady climb of eight or nine percent a year," Boss concluded. "But don't forget, that represents several billions of dollars more every year."

Estimated Household Penetration by Product
(As of January 1985)

All Television	98%
Color TV	91%
Monochrome TV	70%
Projection TV	2%
VCR	17%
VDP	1%
Programmable Video Games	25%
Home Computers	13%
Audio Systems	81%
—Compact	45%
—Component	37%
—Console	17%
Telephone Answering Devices	5%
Cordless Telephones	10%
Home Radios	98%

Source: EIA/CEG

Car Audio Equipment*

	Total Factory Sales in Dollars (Millions)
1980	1,368
1981	2,000
1982	2,100
1983	1,900
1984 (proj.)	2,500
1985 (est.)	2,600

**Includes domestic factory-installed and aftermarket equipment.*

Color TV Receivers*

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1980	10,897	4,210	386
1981	11,157	4,349	390
1982	11,366	4,253	374
1983	13,986	5,002	358
1984 (proj.)	15,800	5,370	340
1985 (est.)	15,900	5,410	340

**Includes monitors for consumer use; excludes projection television.*

Projection TV***

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1980	57	na	na
1981	122	287	2,352
1982	117	236	2,017
1983	144	268	1,861
1984 (proj.)	190	350	1,842
1985 (est.)	225	415	1,844

***Includes all indirect-view color TV.*

Total Audio Compact & Component Systems

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1980	3,744	809	216
1981	2,882	720	250
1982	2,640	573	217
1983	3,058	630	206
1984 (proj.)	3,600	870	242
1985 (est.)	3,700	910	246

Total Portable Audio Tape Equipment

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1980	17,224	1,403	81
1981	19,773	1,157	59
1982	20,664	971	47
1983	25,400	1,102	43
1984 (proj.)	27,100	1,170	43
1985 (est.)	28,400	1,205	42

Compact Disc Players*

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1983	35	15	429
1984 (proj.)	225	70	310
1985 (est.)	400	105	265

**Included in Table 10, Separate Audio Components.*

Total Telephones

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1982	5,700	400	70
1983	19,700	925	47
1984 (proj.)	30,300	1,250	41
1985 (est.)	34,200	1,370	40

Telephone Answering Devices

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1982	850	110	129
1983	2,200	190	86
1984 (proj.)	3,000	230	77
1985 (est.)	4,000	305	76

Home Computers

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1982	2,000	1,300	650
1983	4,800	1,950	406
1984 (proj.)	5,100	2,250	440
1985 (est.)	6,000	3,000	500

Home Computer Software

	Total Sales to Dealers in Units (Thousands)	Total Factory Sales in Dollars (Millions)	Average Value (Dollars per Unit)
1982	na	250	na
1983	35,000	600	17
1984 (proj.)	58,300	930	16
1985 (est.)	75,000	1,200	16

C4170-1

MART®

BUSINESS IDEAS FOR TODAY'S RETAILERS AND DISTRIBUTORS

JUNE 1985

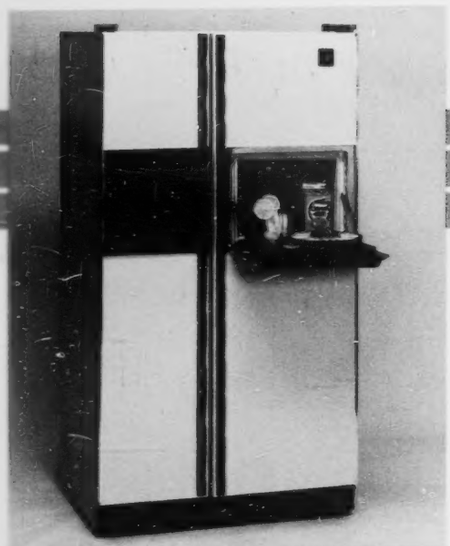
A GORDON PUBLICATION

TELECOMMUNICATIONS

Consumer interest fueled by new phone designs and TADs that answer the call for convenience

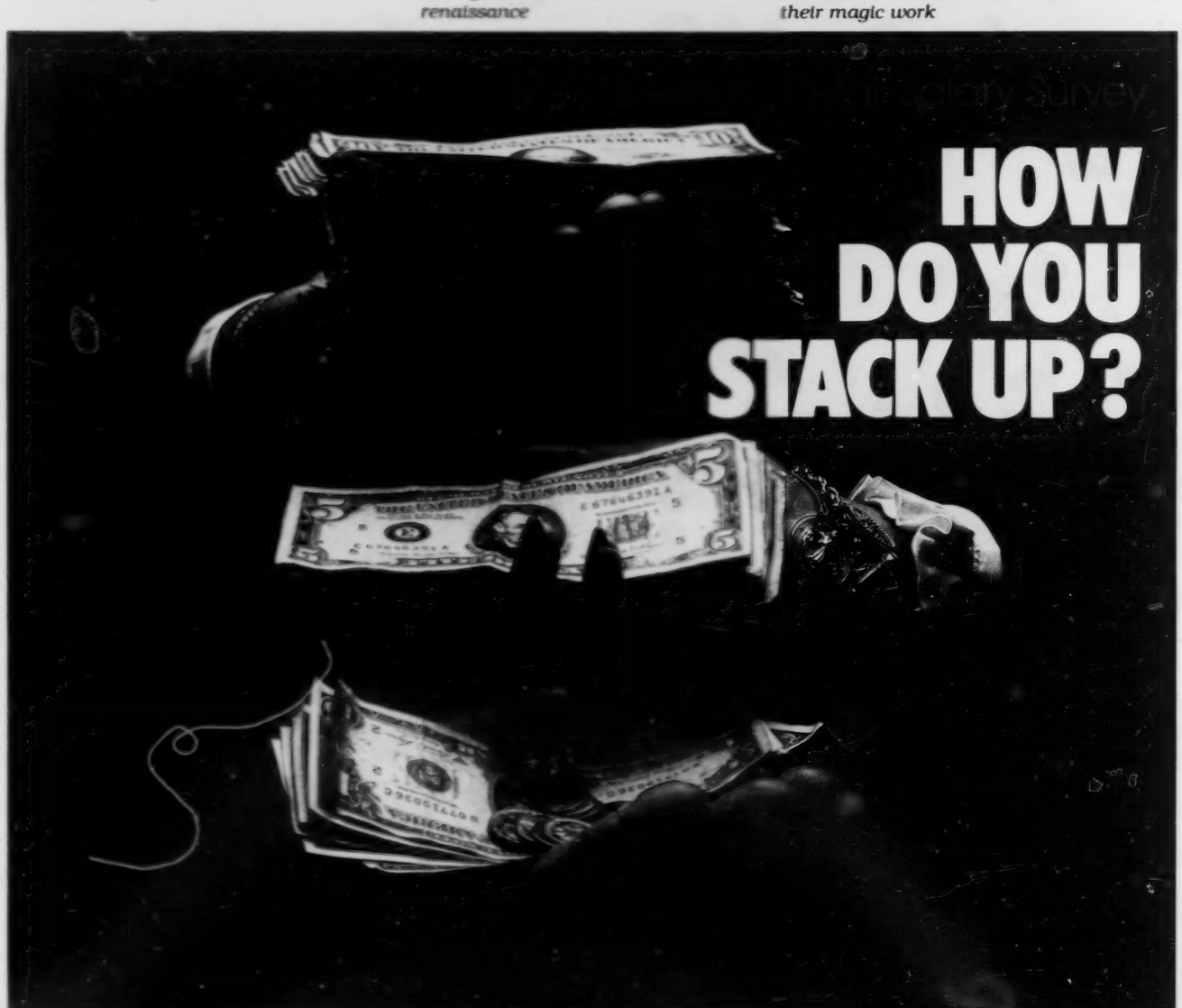
HOME ELECTRONICS

Home entertainment systems, paced by state-of-the-art video, have given rise to a TV renaissance



APPLIANCES

Solid state electronics gain ground throughout appliance spectrum now that consumers have seen their magic work



RETAILING

6
Cover Story: How do you stack up?
MART's annual compensation survey

12
Hire right to fire right
Is the person you hire the one who will sue you?

21
Atari's Jack Tramiel heads for specialty channels
Pulls out of CES, shows at Comdex with big news

Forum 5
AVA's electronic network 10
Retailing in brief 16
Calendar 78

HOME ELECTRONICS

22
CES Product Guide

23
Digital and minis lead the boom in TVs
20 million sets will be sold this year, many will be state-of-the-art

28
Satellite earth stations enter period of rapid growth
Still young, industry appeals to widening range of retailers

36
New-look 3M hopes to win brand loyalty
After two years of research they believe they have the answer

Sanyo's climb to $1 billion 27
Panasonic CEO named 30
What's new in TV 34
Sony: 8mm will be big 35

Home electronics in brief 37
Toshiba opts for VHS 38

TELECOMMUNICATIONS

43
New markets for TADs stimulate new technology and designs
New models answer the call for innovation

64
AT&T lowers sales projections
Says 23.2 million units will be sold in '85

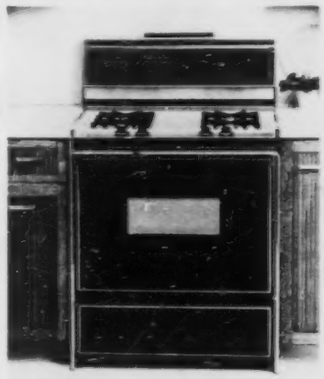
60
How dealers advertise
Co-op money fuels ad campaigns

What's new in phones 47
Phone Phantom 52

Regional round up 48
How dealers advertise 60

APPLIANCES

69
Solid state appliances "chip" away at retail
Electronics gain ground in white goods



74
AHAM grapples with energy regulations
Tougher energy rules could hurt industry

76
Whirlpool chief cites growth plans
Encouraged by FTC ruling on KitchenAid deal

G.E. drops new colors 71
In brief 75

MART (ISSN-0025-4061), including Electrical Dealer and Telecommunications Retailer, is published monthly by Gordon Publications, Inc., 13 Emery Ave., Randolph, NJ 07869-1380; Mailing Address: Box 1952, Dover, NJ 07801-0952, (201) 361-9060. Second class postage paid at Dover, NJ 07801-9998 and at additional mailing offices. Subscription rates: $30 per year in the U.S., $42 all other countries, airmail $84. Single copy, U.S., $3; all other countries, $6. Publisher reserves the right to accept or reject any subscription. Microfilm copies of complete issues or reproductions of individual articles from microfilm prints can be obtained from Xerox University Microfilms, Ann Arbor, MI 48109. Copyright© 1985, Gordon Publications, Inc. ALL RIGHTS RESERVED, including reproductions of this magazine in whole or in part. MART® is the registered trademark of Gordon Publications, Inc. **Change of Address:** Send to Circulation Manager, MART Magazine, P.O. Box 1952, Dover NJ 07801-0952. **Postmaster:** Send address change to MART, P.O. Box 1952, Dover, NJ 07801-0952.

ABP BPA

MART's annual compensation survey

Here's what retailers say they pay their help

What is the average salary for a floor salesperson in the West? Are you better off owning a chain in the South or Midwest? What can a buyer expect to make in the Northeast?

To find out, MART recently surveyed more than 1,000 owners, presidents and managers of retail operations in a variety of categories: appliance/TV store, home electronics store, specialty store (including telephone, computer, video and hi-fi operations), department store and mass merchandiser.

We guaranteed total confidentiality if the respondents would share with us their operations' current salary levels, rates of commission and/or bonuses, and benefits such as vacation, insurance, profit sharing, employee discounts and tuition reimbursement.

Our respondents represent a good geographical cross-section from the four regions: Northeast, 22 percent; South, 23 percent; Midwest, 34 percent and West, 21 percent. Two-thirds of our survey participants rang up sales of $1 million or less last year, with an additional 22 percent in the $1 to $5-million range. Forty-eight percent described themselves as operating appliance/TV stores, 24 percent as home electronics stores and 15 percent as department stores or mass merchandisers. The remaining 13 percent were "other" specialty retailers.

It is impossible to draw indisputable conclusions from any salary survey. Rather, the statistics presented offer a broad-based compensation picture at different employment levels in the four regions of the country. Whether you regard the results as good, bad or indifferent depends on where you live, what you do, how much your earn, and whether you sign the paychecks or cash them.

The median salary nationwide for presidents/owners, $34,032, is a reflection of the fact that 67 percent of our respondents ran operations with sales under $1 million last year. In these smaller operations, as some of the respondents commented on their questionnaires, their salaries consisted of "the leftovers" from the year's profits.

After the president, buyers commanded the next highest salaries, at $26,927, followed closely by merchandise managers, at $26,103. Store managers ranked fourth with $24,723 per year, then floor salespersons at $18,061. Rounding out the seven categories surveyed, service technicians came in at $17,289, with delivery persons in last place, at $12,689.

What about other forms of compensation? Sixty-four percent of the respondents reported that their service technicians did not work on commission; likewise, 54 percent reported the same about salespeople. Of the 46 percent who did report paying commissions to salespeople, 16 percent pay between one and three-percent commissions, five percent pay four to nine percent, and 19 percent pay more than 10 percent commissions.

Some 70 percent of the retailers reported that they give Christmas bonuses to their staffs, and 9 out of 10 survey participants offer their employees discounts on store merchandise. Out of that latter group, more than half (54%) allow employees to purchase merchandise at cost, and 30 percent give up to one-third off the purchase price as employee discounts.

Sixty-eight percent of the respondents compensate employees for overtime. Of that group, many (70%) stated that they pay their employees time-and-a-half for overtime work, while another 17 percent offer other monetary compensation.

Other benefits include health insurance, offered by 54 percent of the respondees, and life insurance, offered by 31 percent. Tuition reimbursement, performance bonuses and profit sharing are all offered by one out of five retailers surveyed.

On the question of paid vacation, nearly half the respondents (49%) give one week for one year's service and about the same number (47%) offer two weeks for five years'. After 10 years, 23 percent still give two weeks, but 29 percent offer three weeks, and nearly one in 10 (9%) pay for four weeks vacation.

Training programs are popular with the survey's participants. Nearly three out of four (74%) provide training programs for their employees. Out of that percentage, service technicians (38%) and sales staff (29%) rank as the most likely groups to receive training. Department managers and manufacturer's representatives are usually the individuals to conduct the training, with 26 percent and 21 percent respectively. Seventeen percent stated that the owner conducts the training in their organizations. Two-thirds of the respondents reported that training usually takes place in the store.

The turnover picture looked pretty good last year: 40 percent of the respondents reported that they did not experi-

ence any turnover in 1984, with an additional 12 percent reporting between one and nine percent. Those that did report turnover said that they had the highest turnover in their sales department, followed by service and delivery people.

These turnover statistics look even better when we consider that one-third of the respondents did not promote any employees last year, and only one out of 10 (11%) promoted up to 10 percent of their employees.

For those retailers that had low turnover rates, we asked them to what they attributed their success. Following are some of the typical answers.

—"I give all of my employees fair treatment. That's why I have a low turnover rate." TN

—"Good relations with employees." NJ

"I have a personal interest in the staff's welfare." CA

—"Luck and lots of concern by management." IN

"Good working conditions and good employer-employee relationship." FL

—"We have a family-type relationship and we trust each other." KS

"We have 17 percent unemployment in our area. There are no other jobs." OR

—"We have a small business, good working conditions, benefits, and our employees are dedicated and faithful." WA

—"I try to make them feel wanted. Also, it is a slow time in Iowa for employment." IA

—"I pay very competitive salaries for my area and delegate a lot of responsibility to my employees." MN

—"I feel my success for low turnover is fair treatment, fair pay and our profit sharing plan." PA

—"Good personnel policies, good pay, and no night store hours." TX

—"We have high morale among our employees. Also jobs are hard to find in this part of the country." SC

—"My success for low turnover is good pay, flexible management and fair treatment to all employees." AZ

—"We have a low turnover rate due to screening of applicants and very good management."

It will be interesting to look at the 1985 turnover rates in next year's survey, since 28 percent of the respondents reported that they do not intend to give salary increases to their sales staffs this year, and eight percent will give one to three-percent increases. Only one in four (24%) will give four to six-percent raises — just keeping pace with the inflation rate.

So, where are the better salaries? The accompanying charts show median salaries for all seven job titles in each of the four regions surveyed. Here is a quick summary of the best region for each position, according to our survey results.

- If you want to be president or owner of your retail operation, you're probably better off in either the Midwest or South, where the median salaries are reported at $34,250.
- The best salary for a buyer can be found in the West, at $29,500.
- Merchandise managers make higher salaries in the Northeast — $28,000.
- A floor salesperson can make $21,150 in the Northeast.
- For store manager, the Midwest comes in highest at $25,681.
- Service technicians do better in the Northeast at $18,473 annually.
- The highest median salary for delivery people is $13,611, found in the Midwest.

What's the bottom line? While the number of retail executives who participated in the survey is not large enough to project to the entire retail community MART serves, the results do offer insight into which regions offer the best compensation and what types of fringe benefits are generally available. Whether you are an owner or employee, it's important to see how your operation — and salary — compare. □

Yvonne N. Hunley

Do you provide the following for your employees?

	YES	NO
Discounts on store purchases	90%	2%
Christmas bonuses	70%	27%
Overtime compensation	68%	21%
Health insurance	54%	38%
Life insurance	31%	47%
Tuition reimbursement	20%	67%
Performance bonuses	20%	70%
Profit sharing	20%	72%

Note: *Some respondents did not answer all questions, so percentages do not total 100.*

Source: MART Research

Median Annual Salaries Nationwide

TITLE	SALARY
President/Owner	$34,023
Buyer	$26,927
Merchandise Manager	$26,103
Store Manager	$24,723
Floor Salesperson	$18,061
Service Technician	$17,289
Delivery Person	$12,689

Source: MART Research

Median Salaries by Region

NORTHEAST	
President/Owner	$33,250
Buyer	$25,611
Merchandise Manager	$28,000
Floor Salesperson	$21,150
Store Manager	$24,785
Service Technician	$18,473
Delivery person	$11,462
SOUTH	
President/Owner	$34,250
Buyer	$24,500
Merchandise Manager	$24,900
Floor Salesperson	$15,472
Store Manager	$23,166
Service Technician	$18,500
Delivery person	$12,562
MIDWEST	
President/Owner	$34,250
Buyer	$27,833
Merchandise Manager	$24,833
Floor Salesperson	$18,815
Store Manager	$25,681
Service Technician	$17,242
Delivery person	$13,611
WEST	
President/Owner	$34,214
Buyer	$29,500
Merchandise Manager	$27,500
Floor Salesperson	$16,441
Store Manager	$24,884
Service Technician	$14,800
Delivery person	$12,643

Source: MART Research